

 <p align="center">Financial Assistance Award</p> <p align="center">DENALI COMMISSION 510 L Street, Suite 410 Anchorage, Alaska 99501 (907) 271-1414 (phone) (907) 271-1415 (fax) www.denali.gov</p>		Award Number	01386-00		
		Award Title	Kotzebue Swan Lake Small Boat Harbor Improvements - Construction.		
		Performance Period	August 1, 2011 through December 31, 2013		
Authority 112 Stat 1854		CFDA Number 90.100		Recipient Organization & Address City of Kotzebue PO BOX 46 Kotzebue, AK 99752-0046 Phone: Recipient DUNS # 085200301 TIN # 92-6001350	
Denali Commission Finance Officer Certification		Ms. Jennifer Price 09/21/2011			
Cost Share Distribution Table					
Accounting Code	New Funding		Prior Period Funding		Total
	Denali Commission	Other Contributors	Denali Commission	Other Contributors	
95670000	\$1,000,000.00		\$0.00		\$1,000,000.00
	\$0.00		\$0.00		\$0.00
	\$0.00		\$0.00		\$0.00
	\$0.00		\$0.00		\$0.00
	\$0.00		\$0.00		\$0.00
DOT&PF		\$1,700,000.00		\$0.00	\$1,700,000.00
		\$0.00		\$0.00	\$0.00
		\$0.00		\$0.00	\$0.00
		\$0.00		\$0.00	\$0.00
		\$0.00		\$0.00	\$0.00
Total	\$1,000,000.00	\$1,700,000.00	\$0.00	\$0.00	\$2,700,000.00
This Financial Assistance Award approved by the Federal Co-Chair of the Denali Commission constitutes an obligation of federal funding.					
Award Conditions to the Financial Assistance Award between the Denali Commission and City of Kotzebue for Kotzebue Swan Lake Improvements - Construction, Award No. 1386					
Continued on the following pages.					
Signature of Authorized Official - Denali Commission Electronically Signed			Typed Name and Title Mr. Joel Neimeyer Federal Co-Chair		Date 09/21/2011

AWARD ATTACHMENTS

City of Kotzebue

01386-00

1. Award Conditions - Kotzebue Swan Lake Improvements - Construction

***Award Conditions to the Financial Assistance Award
Between the Denali Commission and City of Kotzebue
For Kotzebue Swan Lake Improvements - Construction
Award No. 1386***

1. Scope of Work

The Denali Commission is providing \$1,000,000 in FY 11 FTA Section 5309 funds, to the City of Kotzebue for the construction phase of the Swan Lake Boat Harbor. The City of Kotzebue and the Alaska Department of Transportation and Public Facilities are providing \$1,700,000, including funds to meet Denali Commission match requirements.

The design phase is currently underway and is expected to be complete in October of 2011. The construction phase is scheduled for winter/summer of 2012. Construction will include navigability improvements to the harbor entrance channel, dredging in the boat basin to improve navigability and expand useable area, and shoreside improvements to improve safety and efficiency of harbor operations. The facility is used by Kotzebue residents and Northwest Arctic Borough communities as a hub community access point during the summer months when boats are the region's primary mode of transportation. This project will provide safe moorage and improved boat operations for virtually all communities in the region.

Depending on contractor preferences and permit stipulations, excavation of the entrance channel and boat basin may occur during the winter months, with shoreside improvements installed during the summer months of 2012. The project will improve entrance channel navigation and boat basin operations. The basin improvements will include a deeper basin to make full use of the basin area, and shoreside structures including an increased number of boat launch ramps. Other shoreside improvements will include boat mooring points along the perimeter of the basin to reduce shoreside erosion that occurs using the current anchor methods. The project also includes installation of new approach, ramp and dock structures to improve the efficiency of passenger and freight transfers from shore to boats. Parking lot improvements will include additional parking area and traffic lanes to route vehicles efficiently within the harbor operations area.

Project performance, and goals and objectives shall be monitored and measured on a quarterly basis using the documentation of record (project nomination) as a reference point, making updates as necessary. The following items shall be monitored and reported in the narrative of the quarterly report:

1. Improves Harbor safety and efficiency
2. Reduces maintenance costs
3. Improves intermodal connections

The project sponsor (Recipient) has demonstrated the administrative capability for managing Denali Commission funds, as documented by the Denali Commission Transportation Program Manager (Manager) and retained in the subject award file. Denali Commission, in consultation with the Federal Highway Administration, Alaska Division

(FHWA) will provide financial management and project development technical assistance throughout the project to assist in successful project execution.

All payments for design and/or construction tasks associated with the subject project are on a reimbursable payment basis.

Contractual and consulting services used in this project shall be procured in an open and fair competitive manner, consistent with the Federal Acquisition Requirements (FARS) and other applicable federal law.

Contractual services procured through sole-source contracts, or through processes that do not meet the FAR and/or Title 23 requirements, will not be eligible for Denali Commission funding.

Prior to starting the competitive-bid process for design engineering and/or construction management services, the Recipient will meet in a pre-bid meeting with the Manager to review the procurement process.

The Manager, in consultation with FHWA, will work with the Recipient to develop a procurement process applicable to project conditions. The Manager will approve the procurement process prior to advertising for design engineering and/or construction management services.

Subsequent to the successful award of a design engineering and/or construction management contract, the Recipient, the successful firm and the Manager will conduct a post-award meeting to review FHWA requirements associated with the contract tasks.

CONSTRUCTION

Construction Management will be accomplished through a qualified construction management firm, selected by the Recipient through a competitive bid process compatible with Title 23 USC requirements. Prior to advertising, the project sponsor will submit the procurement process and advertising package to the Manager for approval.

If construction bid documents are not in place for the Denali Commission funded project, the selected engineering firm will prepare construction bid documents for approval, and will execute subsequent advertising, selection and negotiation tasks for the Recipient.

The Recipient, through the selected engineering firm, will execute construction under Davis-Bacon wage requirements and in accordance with the project's approved NEPA environmental documents, Corps of Engineers permits, and other federal, state and local permits.

The Recipient owns the facility and will ensure a clear Right of Way adequate for construction. The approved environmental and Right of Way documents will be retained in the project's file at Denali Commission. The Recipient is responsible for ongoing maintenance after construction is complete.

All Commission funding is intended for use for the scope of work identified in the Award document only. Any balance of funds remaining on the award after the full scope of work has been completed will be de-obligated from the award and made available for other Denali Commission transportation projects.

2. Milestones

The following milestones are identified as the major steps to be completed as part of the project. "Planned" dates for the first milestone are included here. As part of each progress report, recipients shall update the progress toward meeting these milestones (see section 7, Reporting).

Milestone	Planned		Actual		Units	Total Cost At Completion
	Start Date	End Date	Start Date	End Date		
Construction	8/1/2011	12/31/2013			0	\$0.00
Project Close-out	01/01/2014	3/31/2014			0	\$0.00

3. Award Performance Period

The Award performance period is August 1, 2011 through December 31, 2013. This is the period during which Award recipients can incur obligations or costs against this Award.

4. Direct and Indirect Costs

The cost principles of OMB Circular A-87 are applicable to this Award. Direct costs associated with the City of Kotzebue project are allowed under this document. Indirect costs associated with the City of Kotzebue management of Denali Commission funds are allowed at the rate established by Denali Commission at 5.00% for 2011 for Title 23 funds. Please refer to the cost principles regulations for specific details on other allowable charges under this Award.

5. Budget and Program Revisions

The Administrative Circular, OMB A-102, applies to this Award. Please refer to the Administrative Circular for specific details on revisions to this Award. The Administrative Circular requires that City of Kotzebue will inform the Commission in writing (e-mail, letter, or report) at the earliest possible date of any unanticipated project cost overrun, project schedule delays, or changes in the project scope or changed site conditions.

6. Payments

Payments under this Award will be made by electronic transfer in response to a “Request for Reimbursement”, Standard Form 270 (SF-270) submitted by City of Kotzebue. Requests for reimbursements may be made at the end of each quarter or as needed. The SF-270 must be submitted to the Denali Commission via fax, e-mail (finance@denali.gov) or mail in order for payment to be processed. The form is available on the OMB website: http://www.whitehouse.gov/OMB/grants/grants_forms.html. Payments shall be made in accordance with OMB A-102. Please contact the Denali Commission’s Finance Manager at (907) 271-1414 for further information about submitting this form. **No interest will be accrued on these funds.**

7. Reporting

Two forms of project reporting are required under this Award, listed below. City of Kotzebue shall submit reports using the Denali Commission’s on-line Project Database System, available at www.denali.gov. If there are technical limitations which may prevent the recipient from meeting this requirement, please contact the Program Manager listed in this agreement.

- a. **Progress Reports** shall be submitted on a quarterly basis. The first reporting period is August 1, 2011 through September 30, 2011 and quarterly thereafter. Reports are due within 30 days of the end of the reporting period. Progress reports shall include the following:
 - i. Total project funding, including both Denali Commission funding and other project funding sources.
 - ii. The total project expenditures for the project as of the end of the reporting period, including both Denali Commission and Other funding sources.
 - iii. Updated schedule and milestone information as identified in the Scope of Work
 - iv. Narrative summary of the project status and accomplishments to date, and address the following questions: is the project on schedule, is the project on budget, and what actions are planned to address any project problems.
 - v. **Construction Projects** Photographic documentation of project progress shall be provided with the progress reports for active construction projects. The photo documentation shall include a minimum of three, dated photos per reporting period such that a complete record of the construction is maintained over time, from “before,” showing the situation before the start of construction, to “during” showing work proceeding on the project, and “after” to show the finished project. Photos shall be provided in a digital format as part of the on-line report. A short description of the activity and names of those in the photos shall also be provided.

- b. **Federal Single Audits** shall be submitted annually, when required. In accordance with OMB Circular A-133, which requires [subpart 200] “Non-Federal entities that expend \$500,000 or more in a year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of this part [subpart 205]. The determination of when an award is expended should be based on when the activity related to the award occurs.”

Recipients shall also submit single audits to the Federal Clearinghouse as designated by OMB. Information can be found on the following web-site:

<http://harvester.census.gov/sac/>

- c. In addition to reporting quarterly, City of Kotzebue shall meet twice annually with the Commission to report lessons learned and project status.

8. *Project/Award Close-Out*

The project close-out report shall be completed within 90 days of the end of the Award performance period or within 90 days of the completion of the project, whichever is earlier. Recipients must also draw down any remaining funds for expenditures incurred under this award during this 90-day period.

The project close-out report shall be submitted on-line through the Denali Commission’s on-line Project Database System, available at www.denali.gov. The project close out will require the recipient to submit the following information:

- a. Final data for each item listed in paragraph 7(a) “Progress Reports”
- b. Final project expenditures itemized by the following categories: planning & design; materials & equipment; freight; labor; project administration/overhead and other expenses.
- c. Acknowledgement of support: For all construction projects, the Award recipient shall display a sign that acknowledges the Government’s support for the project(s) developed under this Award. The Commission will provide an appropriate sign. The Award recipient must request an indoor and/or an outdoor sign from the Commission office. Pickup or delivery of the sign can be arranged at that time.

9. *Public Policy Laws and Assurances*

Award Recipients are required to comply with the public policy laws and assurances on SF 424d (construction projects). This form must also be signed by a certifying official of the organization.

The attached Federal Highway Administration Form 47 is also required for reporting on construction phase activities funding under CFR Title 23 regulations. Some of the laws are highlighted below for your reference.

To the maximum extent practicable, considering applicable laws, Funding Recipients shall accomplish the project contemplated by the Award using local Alaska firms and labor.

No portion of this award may be used for lobbying or propaganda purposes as prohibited by 18 U.S.C. Section 1913 or Section 607(a) of Public Law 96-74.

Project level environmental reviews in accordance with the National Environmental Policy Act (NEPA) and the National Historic Preservation Act (NHPA) are required for each project undertaken with Denali Commission funds.

10. Non-Compliance with Award Conditions

Recipients not in compliance with the terms and conditions of this Financial Assistance Award will be notified by the Denali Commission. The Denali Commission will work with the recipient to identify the steps necessary to bring them back into compliance, and will establish an appropriate time frame for the corrections to be made. If the corrections have not been made by the deadline, the Denali Commission reserves the right to either suspend or unilaterally terminate the Financial Assistance Award for non-performance.

11. Program Manager, Financial Manager & Other Contact Information

Denali Commission	City of Kotzebue
Ms. Tessa DeLong Senior Transportation Program Manager 510 “L” Street, Suite 410 Anchorage, AK 99501 Phone: 907-271-1624 Fax: 907-271-1415 E-mail: tdelong@denali.gov	Mr. Derek Martin Capital Projects Manager PO Box 46 Kotzebue, AK 99752 Phone: (907) 442-3401 Fax: (907) 442-2155 Email: kotzengs@otz.net
Ms. Betty Sorensen Grants Administrator 510 L Street, Suite 410 Anchorage, AK 99501 Phone: 907-271-3415 Fax: 907-271-1415 E-mail: bsorensen@denali.gov	Mr. Ryan Cope Finance Director PO Box 46 Kotzebue, AK 99752 Phone: (907) 442-3401 Fax: (907) 442-3424 Email: Financedir@kotzebue.org